

PATRICK R. DONAHOE
DEPUTY POSTMASTER GENERAL & COO



June 6, 2005

The Honorable Betty McCollum
House of Representatives
Washington, DC 20515-2304

Dear Congresswoman McCollum:

This responds to your April 22 letter to Postmaster General John E. Potter regarding the status of the U.S. Postal Service's decision on relocating the operations of our St. Paul Processing & Distribution Center (P&DC).

I appreciate your interest in this matter and understand the concerns of the Minnesota congressional delegation, local elected officials, and community leaders regarding our plans. I also recognize the urgency of providing all stakeholders with a definitive response on this issue.

As you are aware, the relocation of a postal operation of this size is a multi-faceted, expensive, and time consuming endeavor. Nonetheless, in an effort to accommodate the City of St. Paul's plan to establish a multi-modal transit hub at the Union Depot, we have been exploring the expansion potential of the postal-owned Bulk Mail Center (BMC) in Eagan, including conducting environmental studies of the site.

I am pleased to report that we have made a determination that relocating our St. Paul mail processing operations to an expanded Eagan BMC is a prudent course of action and is in the best interest of the Postal Service, as well as the St. Paul community. I will note, however, that expansion of the Eagan site and relocation of the St. Paul mail processing operations to that site will take some time. Further, there are a number of legal and administrative matters that will need to be resolved, including Postal Service Board of Governors approval of funding for expansion of the Eagan site, as well as notification to the appropriate labor organizations and management associations that represent our employees.

The Postal Service is more than willing to sell our St. Paul P&DC facility to the City of St. Paul, or their designated representative at a reasonable price that recognizes the value in use of this building to the Postal Service. As part of these negotiations we would want to be allowed to retain a retail presence, as well as the Postmaster's office in downtown St. Paul.

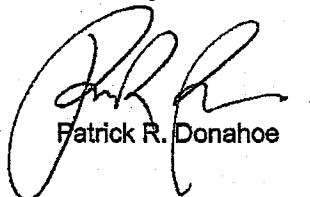
I have tasked Facilities Vice President Rudy Umscheid with taking the lead in formally negotiating the terms and conditions of both the sale of the St. Paul facility, as well as expansion of the Eagan site. Mr. Umscheid and his team will soon be contacting the appropriate community officials to begin discussion and negotiations on the real estate transaction. It would be our goal to conclude these negotiations in the next three or four months with the objective of having this

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project approved by our Board of Governors by mid-2006. This would enable us to complete our move by early 2009.

We look forward to working with the Minnesota congressional delegation, local elected officials, and community leaders to make the East Metropolitan strategy for transit development a reality.

Sincerely,



Patrick R. Donahoe